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Secretary 222

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY
IN REPLY REFER TO:

8310-MEA
CN9302845

Honorable Dan Glickman
Member, House of Representatives
325 North Penn, Suite 9
Independence, KS 67301-3325

Dear Congressman Glickman:

Thank you for your letter on behalf of Gene W. Murray, Owner, Murray Cable TV, Inc., Paola, Kansas. Your constituent asks that our cable rate regulations and must-carry/retransmission consent rules be amended to make exemptions available for small systems like his.

The Commission adopted the Report and Order/Further Notice of Proposed Rule Making in MM Docket No. 92-266 on April 1, 1993, to regulate rates pursuant to the Cable Act of 1992. Currently, this proceeding is under formal reconsideration by the Commission. A number of parties have addressed the rate issues your constituent raises and his letter will be placed in the record of this proceeding.

As to his concerns about must-carry and retransmission consent for commercial television stations, the Cable Act of 1992 specified exemptions from must-carry, but not from retransmission consent, only for the systems described in 47 U.S.C. § 534(b)(1). See also 47 U.S.C. § 522(7) for the definition of "cable system" and exemptions created under the Cable Act of 1984. Accordingly, the Commission has no authority to create the exemption Mr. Murray requests. Nevertheless, to the extent retransmission consent fees may affect the reasonableness of basic service tier rates, this issue will be addressed in the above-referenced rate regulation proceeding.

Sincerely,

Roy J. Stewart

Roy J. Stewart
Chief, Mass Media Bureau

Enclosures

No. of Copies rec'd
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1 copy

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Congress of the United States

House of Representatives

Washington, DC 20515-1604

July 12, 1993

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CA TV 92
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AND AVIATION
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ASSISTANT MAJORITY WHIP

Ms. Donna R. Searcy
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Ms. Searcy:

I am writing this letter in regard to a request from Gene Murray.

I have enclosed a copy of the correspondence I received from Mr. Murray which explains the request. I would greatly appreciate any information you could share with me regarding the concerns detailed by the enclosed letter. If you have any questions or desire additional information, please feel free to contact John Lechlitter in my Montgomery County office at (316) 331-8056, as he is assisting me in this matter.

With best regards,

Dan Glickman
Dan Glickman
MEMBER OF CONGRESS

DG:jll
Enclosure

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MURRAY CABLE TV, INC.
108 W. Peoria St.
Paola, Ks. 66071
913-294-3961

1 CT

Ms. Donna R. Searcy
Secretary
Federal Communications Commission
919 M Street N.W.
Washington, D.C. 20554

June 21, 1993

Dear Ms. Searcy:

We are very pleased the FCC delayed the Commission's cable television rate regulation. We thank you for this and hope a small system exemption will still be considered.

Murray Cable TV is an independent family owned and operated business. We have three headends serving a total of 200 subscribers in Greeley, Rantoul, and Fontana, Kansas. Each system has 17 channels and the smallest has 42 subscribers. The small system exemption does not apply to any of these systems.

Murray Cable TV does not have the resources and revenue necessary to complete the benchmark table calculations without consulting an FCC attorney and an accountant. We have always abided by all federal, state, and local rules and regulations that apply to cable television by doing it on our own. When we received the new ruling our family tried to figure out what our rates should be and could not do it. We especially could not figure out the equipment basket. We only have an average revenue of \$145.40 a month for additional outlets and converter rental on all three of our cable systems. We feel it could cost several thousand dollars to have professionals figure what our basic rate and other equipment charges should be. It does not make business sense to spend several thousand dollars to figure out if we should be charging an average of \$145.40 or \$150.40 per month on additional outlets and converter rental.

Also, we are not sure if you have added more worksheets to the originals, how many actual corrections and updates have been made, and whether there are more changes coming. We will be forced to hire outside consultants just to answer these basic questions.

It seems odd and unfair that apartments, hotels, and motels have many more outlets than we have in our little systems and they are not regulated or charged for broadcast signals like we will be. We do not totally disagree with must carry regulations, however payment to any broadcaster is entirely unreasonable. Small systems do not have any negotiating power against these large broadcasters. We suggest there should be a small system exemption for must carry and retransmission consent. Please consider 1000 subscribers or less and 36 channels or less to be an exemption for rate regulation as well as must carry and retransmission consent. Where our systems are located it would take a four or five hundred dollar antenna system for subscribers to get all the broadcast signals we are currently carrying and hope to continue to carry in the fall. This we see as a wash as we are helping the broadcasters by providing a good quality picture for their viewers and our subscribers without requiring them to install and maintain an expensive antenna system.

When the FCC was in the rule making process, we contacted our legislators to no avail. We told them of our situation and they kept telling us there would be a small system exemption. One response assuring us of an exemption was received after the bill was enacted. Another response was that we have not had the problems and complaints in Kansas like they have elsewhere. Why would legislators vote yes on the Act and then vote them into office, people from the State of Kansas or these other people? The current small system exemption is for systems which we have never even heard of. Was it the government's intention to force small operators out of business with these complicated and unfair regulations which do not even benefit the subscribers?

The real irony of the new rules is the customer service mandates. We suggest government offices practice the new CATV customer service standards. We have dealt with very poor customer service while trying to work with legislators and other governmental offices.

In closing we suggest the FCC reconsider a small system exemption whether it is part of a MSO or not. What is the difference? A system is a system and has to show its own profit.) It is our estimate these regulations could cost our subscribers \$1.50 per sub per month to hire a FCC attorney and an accountant. This alone will put us out of business and let the big boys or banks take over our family business. Again, we strongly urge the FCC and legislators to make an exemption for the small boys in regard to rates, must carry, and retransmission consent. We are requesting a reply from all individuals who received a copy of this letter. Thank you.

Sincerely,

Gene W. Murray

Murray Cable TV
Gene W. Murray
Earline Murray
Kent Murray
Glenna Murray
Keith Murray
Gail Murray
Kevin Murray
Penny Murray
Donna Murray Rowlett
Charles C. Rowlett

Glenna Murray
Earline Murray
Kent Murray *Penny Murray*
Gail Murray *Kevin Murray*
Keith Murray
Donna Murray Rowlett
Charles C. Rowlett

CC: Vice President Al Gore
Representative Edward J. Markey
Senator Robert Dole
Senator Nancy Kassebaum
Representative Pat Roberts
Representative Jim Slattery
Representative Jan Meyers
Representative Dan Glickman